



Applicant's Manual

Financial and Administrative Guide for Grants

March 2023

TABLE OF CONTENTS

PREFACE	4
REPORTING FRAUD WASTE AND ABUSE	5
CHAPTER 1 - INTRODUCTION.....	6
What is the Pennsylvania Commission on Crime and Delinquency (PCCD)?.....	6
Advisory Structure of PCCD.....	6
PCCD's Funding Announcement Service	6
How to Use This Manual	7
A Final Note.....	7
CHAPTER 2 - PCCD FUNDING.....	8
CHAPTER 3 – PREPARING A SUBGRANT APPLICATION	9
Pre-Application Recommendations	9
Conflict of Interest and Ethics.....	9
Hatch Political Activity Act	9
Non-Supplantation.....	10
Inherently Religious Activities.....	11
Federal Transparency Act Certification.....	12
Requirements for Grant Applications for Federal Funds.....	12
Special Requirements for Certain Grant Applications	12
Special Requirements for Private Non-Profit Agencies	13
Registration as a Commonwealth Vendor	14
Egrants Registration for Agencies.....	14
Egrants Registration for Individuals.....	14
Creating an Application.....	14
Application/Grant Number	15
Application Sections in Egrants.....	15
Printing Your Application	15
Signature Page Requirements.....	15
Payment Information.....	16

CHAPTER 4 – PROCUREMENT AND BUDGET PREPARATION	17
Procurement Standards	17
Procurement by Noncompetitive Proposal Approval Procedure	19
Allowability of Costs	20
Budget Categories	22
Match Requirements	29
Indirect Costs	29
CHAPTER 5 – POST-AWARD OBLIGATIONS	31
Subgrant Award and Project Implementation	31
Equal Employment Opportunity Plan (EEOP) Instructions	32
Accounting System Requirements	34
Obligation and Expenditure of Funds	35
Fiscal Accountability	35
Property Inventory Record	36
Vendor Invoices	37
Reporting Requirements	37
Evaluation and Monitoring	38
Project Modification	38
Interest Earned on Federal Funds	39
Program Income	39
Disposition of Property on Termination of Grant	40
Project Close-Out	40
CHAPTER 6 – PROJECT AUDIT AND RECORDS RETENTION	41
Federal Funds	41
State Funds	43
Audit by PCCD or Governmental Auditor	43
Audit Reports by PCCD or Governmental Auditor	44
Audit Confirmation Requests	44
Records Retention	45
Links to Forms and Other Useful Documents	47

PREFACE

This manual is being provided to help you understand the Pennsylvania Commission on Crime and Delinquency (PCCD) grant programs. We feel the manual will answer most of your questions; however, we encourage you to visit our website for the most comprehensive information on PCCD and the services we offer.

PCCD website	www.pccd.pa.gov
PCCD toll-free number	(800) 692-7292
PCCD Grants Management Email	RA-PCCDGrantsMgmt@pa.gov
U.S. Mail Address	P.O. Box 1167 Harrisburg, PA 17108-1167
*Location (for Package Express Service)	3101 North Front Street Harrisburg, PA 17110

*Since staff is not available at this location on Saturday and Sunday, documents should not be sent via Express Mail or Federal Express on a Friday. We suggest that you use U.S. Mail when mailing over a weekend.

REPORTING FRAUD WASTE AND ABUSE

If you know about waste, fraud, abuse, conflict of interest, bribery, gratuity, or other similar misconduct, or whistleblower reprisal relating to a Pennsylvania Commission on Crime and Delinquency (PCCD) employee, program, contract, or grant you may report it to the PCCD Fraud Hotline.

You may file a claim using any of the methods below. Please provide as much information as possible so the correct program, grant, contract, etc. can be identified.

- Submit report [online](#)
- Submit report by email to ra-cd-fraud-hotline@pa.gov
- Call PCCD's Fraud Hotline at 717-525-5031
- Mail:
PA Commission on Crime and Delinquency
P.O. Box 1167
Harrisburg, PA 17108-1167

If your claim involves federal funds administered by PCCD, the following federal regulation applies:

The recipient and any subrecipients ("subgrantees") must promptly refer to the DOJ Office of Inspector General any credible evidence that a principal, employee, agent, contractor, subgrantee, subcontractor, or other person has either –

1. Submitted a false claim for grant funds under the False Claims Act; or
2. Committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds.

Potential fraud, waste, abuse, or misconduct should be reported to the OIG by –

- Mail:
Office of the Inspector General
U.S. Department of Justice
Investigations Division
950 Pennsylvania Avenue, N.W.
Room 4706
Washington, DC 20530
- Email: oig.hotline@usdoj.gov
- Hotline (contact information in English and Spanish): (800) 869-4499
- Hotline fax: (202) 616-9881
-

For additional information, please visit the [DOJ OIG website](#).

CHAPTER 1 - INTRODUCTION

What is the Pennsylvania Commission on Crime and Delinquency (PCCD)?

PCCD is authorized under Act 274 of 1978, 71 P.S. §1190.32, as amended, to undertake criminal and juvenile justice planning, coordination and policy analysis. PCCD is an agency that provides the Commonwealth with a central source of planning, statistical analysis and program development for the improvement of the state's justice system. The agency provides data analysis, research and legislative recommendations to the Governor's Office, General Assembly, concerned local officials and system practitioners.

Additionally, PCCD is responsible for the administration of state and federal grant programs for assisting units of government and private organizations to prevent and reduce crime, provide services to victims of crime, enhance the quality of justice for all Pennsylvanians, and help alleviate the financial burdens resulting from the commission of a crime. In this role, the PCCD provides the following services:

1. Financial, programmatic review and evaluation of all subgrant applications awarded by PCCD;
2. Financial, programmatic and compliance guidance along with technical assistance to applicants and subgrantees requesting such services;
3. Financial management of all subgrant applications awarded by PCCD;
4. Performance of interim financial and compliance audits of selected subgrants to ensure that projects are in compliance with fiscal guidelines; and
5. Review of final financial and compliance audits of subgrants conducted by independent auditing firms.

As an important note, PCCD does not usually accept unsolicited applications for grant funds.

Advisory Structure of PCCD

There are a number of advisory bodies within PCCD. These advisory committees perform important planning functions and make recommendations to the full Commission on individual applications for subgrants. More information about PCCD's advisory committees may be found on our website.

PCCD's Funding Announcement Service

PCCD provides a funding announcement service for all interested current and potential applicants. This service notifies the applicant of available funds via an email. If you are interested in taking advantage of this service, visit PCCD's website, select the 'Funding' link, and then follow the instructions in the section titled "How to Get and Manage Funds."

Additionally, all current and anticipated funding opportunities may be viewed by the public by visiting PCCD's website at www.pccd.pa.gov and selecting the 'Funding' link.

How to Use This Manual

This manual is to be used by any agency planning to submit an application for PCCD subgrant funds in response to a competitive solicitation, or an invitation to apply for a formula grant. If you are not certain of your status, please contact PCCD before continuing.

As its name implies, this manual serves two functions: as an applicant's manual and as a financial and administrative guide for grants. The Applicant's Manual and Egrants are the primary tools used in applying for PCCD funds under its various grant programs. All applications are completed online through Egrants and include sections specific to the requirements of the type of funds for which you are applying. This manual provides a general overview of the application process as well as instructions for completing a budget, in compliance with the various federal, state and PCCD regulations and guidelines. The individual sections of the Egrants application explain any additional information that may be required of you. These requirements may vary depending on the subgrant program. The specifics are noted within the appropriate chapters of this manual.

A Final Note

You are encouraged to read this manual carefully as it explains important steps in obtaining subgrant funds from PCCD. Adhering to instructions in the manual will assist in proper preparation of the subgrant application and will help ensure a successful project outcome. After your project is funded by PCCD, you will find the manual useful as a reference document. If questions arise that are not sufficiently addressed, we urge you to visit our website, www.pccd.pa.gov, or contact the appropriate PCCD staff by calling the toll-free number listed in the Preface of this manual.

CHAPTER 2 - PCCD FUNDING

Funds distributed by PCCD originate from a number of federal and state sources. The enabling legislation or the agencies that provide for the various funds may have different requirements regarding the nature of the recipients and the allowable uses for its funds. Therefore, not all funds are available to all agencies. PCCD may also impose other restrictions on the use of the funds provided by the subgrants. It is important to know the source of the funds for your subgrant, as this will determine the constraints placed on the use of the funds and the project reporting requirements.

Detailed information on the requirements of specific subgrants is included in the funding announcements for those subgrants.

PCCD offers funding under the broad areas listed below. The links below will take you to that specific area of PCCD's website. You will find information on programs and funding within each of these areas of the website.

[Criminal Justice](#)

[Juvenile Justice](#)

[Victim Services](#)

[Research and Child Advocacy](#)

[School Safety and Security](#)

CHAPTER 3 – PREPARING A SUBGRANT APPLICATION

IMPORTANT NOTE: Application for funding is made through PCCD's Egrants system. Please refer to the PCCD website and Egrants for funding announcements, current deadlines and up-to-date requirements for completion of the application specific to your subgrant program.

Pre-Application Recommendations

All prospective applicants are encouraged to follow the steps outlined below before preparing an application to obtain a subgrant from PCCD. The subgrant application becomes a legal contract between PCCD and the applicant after all approvals and necessary signatures have been obtained. Therefore, it is extremely important that from the early stages, an application and supporting material be prepared with care and precision.

Conflict of Interest and Ethics

Applicants, members of their boards of directors, their officers and employees shall not engage in conduct that constitutes a conflict of interest relating to the Subgrant Project. Such conduct shall include using the Subgrant Project for private gain or creating the appearance of such use, or otherwise undermining the confidence of the public in the integrity of PCCD or the federal funding entity. Requests for proposals (RFPs) for bids issued by the Applicant to implement the project shall provide notice to prospective vendors that the federal Organizational Conflict of Interest Guidelines is applicable and that contractors that develop or draft specifications, requirements, statements of work and/or RFPs for a proposed procurement shall be excluded from bidding or submitting a proposal to compete for the award of such contract.

Subgrant Projects are governed by all Commonwealth provisions relating to conflict of interest and ethics, and all Applicants, members of their boards of directors and their officers and employees, must comply with any applicable provisions, including those in the State Adverse Interest Act, 71 P.S. §§776.1-776.8, and the Public Official and Employee Ethics Act, 65 Pa.C.S. §§1101-1113. Applicants, their board members and officers and employees shall not have any such interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of the subgrant project services. Applicants, in the performance of the Subgrant Agreement, shall not knowingly employ any entity having such interest. Applicants must agree to follow the procurement standards set forth in PCCD's Applicant's Manual in engaging any subcontractors in connection with the Subgrant Project.

Hatch Political Activity Act

With some exceptions, officers and employees of the state or local government agency engaged in a federally-financed activity are subject to the Hatch Political Activity Act, 5 U.S.C. §§ 1501-1508, if their principal employment is in connection with such activity.

It has been held by the courts that a person's part-time position may be their "principal employment" within the meaning of that act.

State and local government employees working under the auspices of federal grants may take an active part in political management and in political campaigns, provided that such activities are not prohibited by state and local law. State civil service employees are prohibited from engaging in political activities by Section 905.2 of the state Civil Service Act. (Several departments and agencies are covered by separate state statutory prohibitions against engaging in political activities.) The Hatch Act provides that state and local government employees working under the auspices of federal grants may not (a) use their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for office; (b) directly or indirectly coerce, attempt to coerce, command, or advise a state or local officer or employee to pay, lend, or contribute anything of value to a party, committee, organization, agency, or person for political purposes; or (c) be candidates for elective office.

If the United States Civil Service Commission, after a hearing, determines that a violation of Section 1502 has occurred, warranting the dismissal of the officer or employee, it notifies him and his agency of such determination. If, within 30 days after such notice, the offending officer or employee has not been dismissed or, though dismissed, has been reappointed within 18 months, the federal grantor agency will be required to withhold from its grants to the agency to which notice was given an amount equal to two years' pay at the rate the officer or employee was receiving at the time of the violation.

Non-Supplantation

PCCD subgrant funds (both federal and state funds) must be used to supplement existing efforts. PCCD subgrant funds may not be used to supplant (replace) state or local funds that have been appropriated for the same purpose. PCCD funding is **not to be used as a replacement** for these funds, but **in addition to** funds that are made available for services.

PCCD requires that an applicant for a subgrant certify to the fact that the subgrant funds, if approved, will not be used to supplant existing funds. By submitting an application to PCCD and accepting funds disbursed pursuant to the subgrant, the applicant is certifying that the requested federal funds: 1) will not be used to supplant or replace state or local funds already allocated; and 2) will be used to fund new projects, or expand or enhance existing projects.

In the event the applicant cannot certify as to the non-supplantation requirements and there is a reduced investment in program-related services, there must be an explanation demonstrating that the reduced commitment would have resulted if PCCD subgrant funds were not available.

Inherently Religious Activities

1. All recipients of grant funding (subgrantees), awarded by PCCD shall adhere to the below stated requirements:
 - a. Grant funds shall not be used to support inherently religious activities, such as worship, religious instruction, or proselytization.
 - b. Grant funds shall not be used to purchase religious materials or pay for the supervisory, administrative, labor, or other costs of construction, maintenance, or repair of buildings that are used primarily as houses of worship or primarily for inherently religious activities unless funding is made available specifically for this purpose.
 - c. The subgrantee's officers, employees, and volunteers shall not promote inherently religious beliefs or activities as part of the PCCD funded project. They shall not pressure or coerce any beneficiary of or participant in the funded program to attend or participate in any inherently religious activities.
 - d. If the subgrantee offers or engages in inherently religious activities, the activities must occur separately in time or location from the funded program, must be voluntary, and must occur in a manner that protects beneficiaries of and participants in the funded program from any pressure or coercion to take part in the activity.
 - e. The subgrantee shall adhere to all PCCD requirements related to the accounting and tracking of grant funds separately from other funds.
 - f. In identifying or admitting beneficiaries of or participants into the funded program, and in rendering assistance to beneficiaries of and participants in the funded program, the subgrantee must not discriminate against or among beneficiaries or participants based on religion, a religious belief, a refusal to express or hold a religious belief, or a refusal to attend or participate in an inherently religious activity.
 - g. If a statute or regulation applicable to particular grant funds prohibits the recipient of the funds from discriminating in hiring or employment based on religion, then the grant agreement between PCCD and the grantee must also incorporate that prohibition.
2. PCCD shall monitor for compliance with the provisions of Paragraph 1. Such monitoring may include the following:
 - a. Site visits (unannounced when reasonable), as reasonably necessary in response to complaints alleging violations of the terms of Paragraph 1, or on PCCD's own initiative where there exists reasonable belief that a violation has or may have occurred.
 - b. Reviews of fiscal reports submitted by the subgrantee that relate to the grant funds; further review of financial and/or accounting records maintained by the subgrantee as reasonable necessary in response to complaints alleging violations of the terms of Paragraph 1 or where there exists reasonable cause to believe that a violation has or may have occurred; and imposition, upon receipt of a complaint or other reasonable cause, of such additional reporting requirements upon the subgrantee as may be reasonable necessary in order for PCCD to determine whether a violation of the terms of Paragraph 1 has occurred or to prevent future violations.
 - c. Preparation of written reports documenting each visit referenced in Paragraph 2.a. above.
 - d. Such other measures as may be required by applicable law and contractual provisions.

3. PCCD shall require any subgrantee that contracts or subgrants any portion of the grant funds to a third-party contractor or subgrantee to include the requirements of Paragraph 1 in the third-party contract or subgrant terms, and to monitor the contractor's or subgrantee's compliance with those requirements.
4. If a complaint is received related to conduct that may be prohibited regarding inherently religious activities, PCCD may investigate or refer for outside investigation depending on the circumstances associated with the complaint. Confirmed violations of these standards may result in remediation up to and including grant termination.

Federal Transparency Act Certification

The implementation of the Federal Funding Accountability and Transparency Act of 2006 (Transparency Act), requires a single searchable website, accessible by the public without cost, for each federal award of \$30,000 or more over the life of any subaward. In order to satisfy this requirement, applicants and subrecipients are required to have a Unique Entity Identifier, and to maintain a current registration in the federal System for Award Management (SAM). For additional information, visit <https://www.fars.gov/>. Information on how to register with SAM, including a Unique Entity Identifier being created, can be found in the Federal Application Requirements section on the Funding and Grants Process page. You will be asked to provide your agency's Unique Entity Identifier and expiration date of your agency's SAM registration. You will also be asked to provide the Unique Entity Identifier and SAM expiration date for any subrecipients/contractors receiving \$30,000 or more in federal funds. This information will be requested in all application regardless of the funding source.

Requirements for Grant Applications for Federal Funds

There are several standard Egrants application sections which must be completed if your organization is applying for federal funds. These sections explain specific terms and requirements that must be agreed to in order to receive federal funding. Your organization must agree to the terms as stated in your Egrants application to be considered for funding.

Special Requirements for Certain Grant Applications

For certain types of projects, the applicant must obtain a clearance or endorsement from certain state or federal agencies prior to submission of the subgrant application to PCCD. Please consult the document titled [Clearance and Endorsement of Certain Subgrant Applications](#) to determine if your proposed project requires such clearances or endorsements. This document has detailed information and the procedures to be followed on these special requirements, which are as follows:

- National Environmental Policy Act;
- National Historic Preservation Act;
- Construction or renovation of facilities;
- Juvenile residential programs/Juvenile probation projects;
- Adult Probation programs; and

- State agency applications.

Special Requirements for Private Non-Profit Agencies

Contracting Procedures with Private Non-Profit Organizations

Every governmental applicant proposing to pass through funds to a private non-profit agency for the implementation of a project must execute a written contract with the agency. An example of a [Pass-Through Contract](#) form is available on our website.

The applicant agency must include a copy of the executed pass-through contract between the governmental applicant and the agency as part of the application. This copy must include a photocopy of the signed signature page. The contracting parties should keep the signed original copies of the contract. It is strongly recommended that the applicant's solicitor review the executed contract prior to its inclusion in the application.

Governmental applicants are strongly encouraged to obtain the documents listed below under Guidelines for Direct Funding of Private Agencies and to evaluate the qualifications of the agency using the criteria as described in the [Criteria for Evaluating the Qualifications of Non-Profit Agencies](#) section of this chapter.

Guidelines for Direct Funding of Private Agencies

Private non-profit agencies, which intend to apply for direct funding, are required to demonstrate the financial responsibility of the organization and its capability to administer the project for which funds are being requested. Accordingly, each private non-profit agency applicant is required to submit one copy of the following information when applying for subgrant funds:

- a copy of the most recent audited financial report, which must not be more than one year old, or a letter stating that the most recent report is on file with PCCD;
- a list of the members of the Board of Directors, stating each member's board position, profession or employment, community activity and other pertinent information;
- a copy of the articles of incorporation;
- a copy of the by-laws of the organization, clearly defining the line of authority and responsibility moving between the Board and staff, outlining the hiring practices of the organization, and demonstrating the management and controls maintained by the Board;
- Internal Revenue Service determination of the tax-exempt status of the organization;
- a copy of the minutes of the three Board meetings immediately preceding the date of the submission of the subgrant application;
- evidence that the Project Director, Financial Officer and Board Officers, and any employee that is responsible for the receipt and expenditure of funds are bonded; and
- a copy of a segregation of duties policy which outlines the process for approving and issuance of payment funds including a list of individuals with such authority.

The criteria used by PCCD in evaluating the qualifications of a private non-profit agency as an applicant for funds is listed in the following section.

Criteria for Evaluating the Qualifications of Non-Profit Agencies

The following criteria are utilized in evaluating the qualifications of a private non-profit agency as an applicant for PCCD funds:

- a. The organization has been in operation for at least one year prior to the date of the application for funds.
- b. The organization's financial statements are regularly examined and/or audited by an independent certified public accountant (CPA).
- c. The organization demonstrates its ability to assume the costs of the project after a reasonable period.
- d. The Project Director and Financial Officer are bonded.
- e. Administrative costs of the agency do not exceed 20% of the project costs.
- f. The salaries of personnel are comparable with those in public or private employment.

Registration as a Commonwealth Vendor

In order to receive subgrant funds from PCCD, the applicant agency must have a valid Commonwealth Vendor ID number. If the applicant agency does not have a Commonwealth Vendor ID, the applicant agency may register for one on the [Commonwealth of Pennsylvania's Vendor Registration website](#).

Egrants Registration for Agencies

In order to create an application in Egrants, the applicant agency must be a registered agency in Egrants. If the applicant agency has never applied for a subgrant from PCCD, they are probably not a registered Egrants agency. Use the [Egrants Agency Registration Request Form](#) to register the applicant agency.

Egrants Registration for Individuals

In order for any individual to create an application, view funding announcements or even log in to Egrants, they must be a registered Egrants user. All individuals that will use Egrants for a particular application or project must register and obtain their unique user ID and password by [registering online](#). Once registered, users must also request the necessary Egrants system roles in order to have proper access to their organization in Egrants. The [User Registration Role Request Form](#) must be submitted to establish the necessary user roles.

Creating an Application

Once your agency and the appropriate individuals are registered to use Egrants, you can create an application in response to a funding announcement. Be sure to review the funding announcement prior to creating an application. Make sure that your agency is an eligible applicant and that your agency will be able to meet all of the requirements contained in the funding announcement.

Application/Grant Number

As soon as an application is created in Egrants, an application number will be assigned by Egrants. At first it will be just a five-digit number that is specific to the application that was just created. This number becomes the grant number once approved by the Commission. It is essential that this number be used in all correspondence to PCCD concerning the application/grant. The assigned grant number has four parts. The remaining three parts will be assigned after Commission approval. This is an example of a grant number: 2014-J-02-26123.

- 2014 represents the fiscal year. In the example, 2014 is the fiscal year of funds assigned to the project.
- J represents the particular funding program. In the example, “J” represents Juvenile Justice and Delinquency Prevention (JJDP) funds.
- 02 is the type, which represents the program purpose within a funding program.
- 26123 represents the five-digit number which clearly identifies the application/subgrant from any other subgrant. This number is assigned in sequential order as applications are received.

Application Sections in Egrants

There are a variety of sections in your Egrants application which must be completed prior to submission of your application. The number and type of sections will vary depending on the specific funding announcement. Make sure to read the section description carefully and respond accordingly in the response fields.

Printing Your Application

Click the ‘View Contract’ button on the Application Summary page. A new window will open, and the application will appear as a PDF document.

Signature Page Requirements

The applicant must upload the executed signature page (page two of the printed application) to the Main Summary page of the grant application in PCCD’s Egrants system. The application is not considered complete until PCCD receives the executed signature page. To print the signature page, click the ‘Preview Signature page’ button on the Application Summary page in Egrants. The signature page will appear as a PDF document in a new window. The following section reflects the signature requirements for a variety of applicant organizations.

Signature Requirements

1. County – At least two County Commissioners or County Executive
2. 1st Class City (Philadelphia) – Mayor or Managing Director
3. 2nd Class/Class A City – Mayor
4. 3rd Class City – Mayor or Manager
5. Borough – President of Borough Council
6. 1st Class Township – President of Board of Commissioners

7. 2nd Class Township – Chairperson of Board of Supervisors
8. Home Rule Municipality – As provided by Home Rule Charter or other state law
9. State Agency – As provided by state agency’s regulations and internal procedures
10. Private Organization – Chairperson/President or Vice-Chairperson/Vice-President of the Board of Directors or as otherwise provided by organization’s by-laws

NOTE: The attesting officer's signature on the left side at the top of the signature page should be that of the Chief Clerk of the governmental applicant or other proper official. For a private organization, the attesting officer is the Board Secretary or Treasurer or other proper official of the applicant.

Stamped signatures are unacceptable. The title of each officer who signs the application must be inserted in the indicated space below each signature.

NOTE: Signatures must be properly placed on the signature page. Failure to complete the application in accordance with the above requirements will result in delays in processing.

Payment Information

When your application is submitted to PCCD, your agency must submit or must have already submitted its ACH information using the [Pennsylvania Electronic Payment Program \(PEPP\) Enrollment Form](#) to the Commonwealth’s Central Vendor Management Unit by email ra-psc_supplier_requests@pa.gov or by fax to (717) 214-0140. More detailed information regarding payments for subgrants is available in Chapter 5 in the [“Subgrant Award and Project Implementation”](#) section.

CHAPTER 4 – PROCUREMENT AND BUDGET PREPARATION

Procurement Standards

Subgrantees shall use their own documented procurement procedures and regulations, provided that the procurement conforms to applicable federal law and the standards identified in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200.320).

At minimum, PCCD grant recipients and subrecipients must follow the procurement standards as written in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - [2 CFR 200.318 through 200.326](#).

Methods of Procurement

Subgrantee must have and use documented procurement procedures, consistent with the standards of 2 CFR 200.320; §200.317, §200.318, and §200.319 for any of the following methods of procurement used for the acquisition of property or services under a Federal award.

- (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the maximum extent practicable, the subgrantee must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the subgrantee considers the price to be reasonable, based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved.
- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that the aggregate dollar amount, which is higher than the micro-purchase threshold, but does not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- (c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

- (1) In order for sealed bidding to be feasible, the following conditions should be present:
 - (i) A complete, adequate, and realistic specification or purchase description is available;
 - (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
 - (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
- (2) If sealed bids are used, the following requirements apply:
 - (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
 - (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
 - (iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
 - (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
 - (v) Any or all bids may be rejected if there is a sound documented reason.
- (d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - (2) Proposals must be solicited from an adequate number of qualified sources;
 - (3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - (5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

- (e) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:
- (1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.
 - (2) The item is available only from a single source;
 - (3) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - (4) PCCD expressly authorizes noncompetitive proposals in response to a written request from the applicant; or
 - (5) After solicitation of a number of sources, competition is determined to be inadequate.

Micro-purchase (2 CFR 200.1) means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$10,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

Simplified acquisition threshold (2 CFR 200.1) means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this manual, the simplified acquisition threshold is \$250,000, but this threshold is periodically adjusted for inflation.

Formal procurement methods. When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319

Procurement by Noncompetitive Proposal Approval Procedure

In accordance with 2 CFR 200.320 part (f), all procurements that qualify as procurements by noncompetitive proposal must be submitted to PCCD for review and approval. Only in rare circumstances, such as proven inadequate competition, will a procurement by noncompetitive proposal be approved. Costs incurred for procurements by noncompetitive proposal will be disallowed absent written prior approval from PCCD. All procurement transactions shall be conducted in a manner so as to provide maximum open, free and fair competition. If a procurement by noncompetitive proposal is necessary, the applicant must identify the

procurement as a noncompetitive procurement and provide a substantial justification for the noncompetitive procurement within their grant application. The justification must include all the following information:

1. A brief description of the product or service being procured and the expected procurement amount
2. Explanation of why it is necessary to contract non-competitively, including at least one of the four circumstances listed in the Procurement by noncompetitive proposal section of this manual. The justification may also include the following contractor qualities:
 - a. Organizational expertise
 - b. Management
 - c. Knowledge of the program
 - d. Responsiveness
 - e. Expertise of personnel
3. Statement of when contractual coverage is required and, if dates are not met, what impact it will have on the program (for example, how long it would take another contractor to reach the same level of competence). Make sure to include the financial impact in dollars.
4. Outline of the unique qualities of the contractor
5. Identify any other sources considered and cite the specific reason(s) the other sources lacked the capability to satisfy the procurement requirement.
6. Other points to “sell the case”
7. Declaration that this action is in the “best interest” of PCCD
8. Conflict of interest review. The applicant must disclose any possible conflicts of interest or declare that there are no known conflicts of interest as a result of the procurement.

A proposed formal advertised or competitive negotiated procurement for which only one bid or proposal is received is deemed to be a noncompetitive procurement.

Note: Time constraints will not be considered a factor if the award recipient has not sought competitive bids in a timely manner.

The release of funds by PCCD may be withheld until approval for a noncompetitive procurement is obtained.

Allowability of Costs

This section presents extracts of certain criteria to be used to determine the allowability of costs included in project budgets. These criteria are extracted from the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) and from the financial guidelines published by Office of Justice Programs (OJP). This information is intended to present an overview only and is not intended to be all-inclusive. For specific

questions the applicant should refer to the above-mentioned publications or contact a representative of the PCCD. Selected extracts from the Circular follow:

A. Factors Affecting Allowability of Costs

To be allowable under a subgrant program, costs must meet the following general criteria:

1. Be necessary and reasonable and allowable for proper and efficient performance and administration of the subgrant program.
2. Be allocable to the federal awards or state grant programs funding the project.
3. Be authorized and not prohibited under Federal, state or local laws or regulations.
4. Conform to any limitations or exclusions set forth in these principles, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items.
5. Be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the governmental unit.
6. Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
7. Except as otherwise provided for in this Manual, be determined in accordance with generally accepted accounting principles.
8. Not be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation.
9. Be the net of all applicable credits.
10. Be adequately documented.

B. Applicable Credits

- Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to federal awards as direct or indirect costs. Examples of such transactions are: purchase discounts, rebates or allowances; recoveries or indemnities on losses; insurance refunds or rebates; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the federal award either as a cost reduction or a cash refund, as appropriate.
- In some instances, the amounts received from the Federal Government to finance activities or service operations of the governmental unit should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) should be recognized in determining the rates or amounts to be charged to federal awards.

C. Selected Items of Cost

Please see the section titled “General Provisions for Selected Items of Cost” in the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (2 CFR 200.420 through 200.475). The identified costs are generally allowable, however, PCCD may further restrict costs identified in the referenced section in any funding announcement it releases.

Budget Categories

All grant program expenditures must be categorized into the following eight standard budget categories. Below you will find instructions regarding details of the information that should be included with your entries in the Budget Detail section of your Egrants application.

Personnel Category

Indicate the total cost of project personnel and provide job descriptions with salary ranges. PCCD’s Egrants system will dictate the calculations that must be provided for all budgeted personnel positions.

When requesting PCCD funds, where existing agency personnel will be reassigned to the subgrant project, the applicant must provide for the employment of replacement personnel.

When in-kind match is allowable, existing agency personnel can be reassigned to the subgrant project as matching contribution funds. If they are reassigned, replacement personnel do not have to be provided. Such personnel must be identified as matching funds.

Personnel costs include wages and salaries of an agency's or organization's employees assigned to subgrant project. Costs of benefits are to be included in the Benefits budget Category. Costs of compensation are allowable if:

1. They are reasonable for the services rendered and consistent with scales for employees paid from other sources.
2. The method of appointment conforms to state and local law, with regard to subgrant regulations and meets federal merit system standards where applicable.
3. They are documented by payroll records and supported by time and effort reports as detailed below in the Time and Effort Reports section of this manual.

NOTE: Budgets should take into account time needed to acquire new staff, changing demands for personnel during the course of the project, and project implementation schedules. This means that budgets may have to be pro-rated in order to reflect the true cost for the 12-month period rather than the full operating cost level for the 12 months.

In no case is dual compensation allowable. For example, the cost of the time employees assigned to subgrant programs may be reimbursed is only to the extent that it is directly and

exclusively related to subgrant purposes. An employee of an organization may not receive compensation from his/her organization and from a subgrant for work performed during the same period of time even though such work may benefit both activities.

Time and Effort Reports (timesheets)

Time and effort reports (timesheets) are required for all personnel funded with PCCD grant dollars regardless of the funding stream. Below are the minimum standards and recommended best practices for time and effort reporting. We realize that there are a number of different systems that can be used to satisfy these requirements and we encourage you to email the [Grants Management resource account](#) with any questions you may have regarding time and effort reporting requirements.

Minimum standards for employees working on multiple activities or cost objectives:

- Must be an after-the-fact determination of the employee's actual effort. Using a budget estimate instead of reporting the actual time the employee spent working on the project does not qualify as support for charges to awards
- Must account for total activity (grant and non-grant) for which employees are compensated and which is required in fulfillment of their obligations to the organization
- Must be signed by the employee and a supervisor with first-hand knowledge of the activities performed by the employee. Signature on the timesheets is affirmation that the report is an accurate accounting of the actual time the employee spent on the project
- Must be prepared at least monthly to correspond to one or more pay periods
- Volunteer time and personnel costs being used as match must be accounted for in the same manner as personnel being charged to the grant

Minimum standard for employees working solely on a single activity or cost objective:

- Must be an after-the-fact certification that the employee worked 100 percent of their time on activities eligible for reimbursement under the grant project
- Must be prepared no less frequently than every 6 months
- Must be signed by a supervisory official having first-hand knowledge of the work performed
- Applies to full-time and part-time employees

Recommended Best practices:

- Employees record time on a daily basis
- Project codes/names are provided to the employee in advance

* The above standards are based on the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) and the Office of Justice Programs Financial Guide.

** Institutions of Higher Education (IHE) may follow their own established policies for documenting personnel expenses provided that the IHE's policies are in compliance with the Standards for Documentation of Personnel Expenses referred to at 2 CFR 200.430.

The following sample forms are available on the Time and Effort Reports page of our website.

- Example of a completed timesheet
- An Excel timesheet template that you may modify to suit your needs
- A sample time certification for employees working 100% of their time on a grant-funded project. (ARRA projects cannot use time certifications as their only documentation of time and effort)

Employee Benefits Category

Indicate the total cost of benefits for the period of time being budgeted for employees assigned to the project. Itemize all employee benefit costs.

Employers' shares of the following are also allowable: social security, Medicare, employees' health and life insurance, unemployment compensation, worker's compensation, pension plans, and the like.

Travel Category

The costs for transportation, lodging, subsistence and related items incurred by project employees who are traveling on official project business are allowable expenses.

PCCD's Egrants system will dictate the calculations that must be provided for each type of travel expenditure. In training projects where travel and subsistence of trainees are included, these should be listed separately, indicating the number of trainees and unit costs involved. The purpose of the travel must be specifically indicated.

Mileage Reimbursement: When travel is by a personal automobile for the purpose of conducting official project business, actual costs for mileage not exceeding the state rate or local government rate (whichever is lower) are allowable expenses. The Commonwealth mileage reimbursement

allowance will be equivalent to the reimbursement rate established by the General Services Administration (GSA) of the Federal Government. (When the GSA mileage reimbursement rate is increased or decreased, the Commonwealth mileage reimbursement allowance will be increased or decreased the same day as the GSA effective date.) Click the following link to determine the current [GSA mileage reimbursement rate](#).

Lodging: Costs for lodging must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the non-federal entity in its regular operations as a result of the non-federal entity's written travel policy. If the entity does not have a written travel policy, they are limited to the maximum per night lodging rate allowances for reimbursement under the Federal Government's GSA per diem rates. (Click the following link to determine the [GSA rates for lodging](#))

Please note: Lodging rate allowances are not flat allowances. Travelers will only be reimbursed for actual expenses incurred.

Subsistence: The current standard rate for subsistence is \$54 per day. Increased subsistence allowances are available in locations designated as high-cost areas. Subsistence allowances for these areas follow the [GSA Meals and Incidental Expenses Table](#) (click on the state you are traveling to and then search for the area within that state.) Note: The Commonwealth will only reimburse the meal portion of these allowances and will not reimburse the incidental amounts as defined by the GSA. Travelers need to view the [Meals and Incidental Expense Breakdown Chart](#) and subtract the incidental amount. Travelers will only be reimbursed for actual costs incurred.

Equipment Category

Do not budget for equipment purchases that will unnecessarily duplicate existing equipment. Equipment rental or lease is preferred when such costs are less than the cost of equipment purchased after consideration is given to the project life over which the benefits will accrue. Please include equipment information by supplying the following answers in the Justification area within the Budget Detail section of your Egrants application:

1. How will the equipment be used for the project?
2. Will it be used 100% for the project or will it be used for other projects as well? If not used 100% for project, the cost of the equipment must be pro-rated.

Indicate the total cost of equipment items to be purchased for the project that cost \$5,000 or more per unit and have a life expectancy of more than one year. If an item costs less than \$5,000 per unit, it should be shown in the Supplies and Other Operating Expenses budget category.

See the [Property Inventory Record](#) section of this manual for proper documentation procedures of equipment purchases.

Procurement of equipment must follow the guidelines referenced in the [Procurement Standards](#) section of this manual.

The prior approval of PCCD must be obtained for each specific purchase of all computer equipment. Refer to the [Standard Subgrant Conditions](#) for additional requirements related to information systems.

Supplies and Other Operating Expenses Category

Items in this category include printing, postage, telephone, utilities and fuel, supplies and repairs for motorized equipment, maintenance service, rental of real estate, rental of equipment, office supplies, educational supplies, maintenance materials and supplies, software and other similar items.

PCCD's Egrants system will dictate the calculations that must be provided for all budgeted supplies and operating expenses. When necessary, you may provide an explanation of such items and/or quantity.

All purchases must follow the [Procurement Standards](#) located at the beginning of this chapter. Rental cannot be charged for government-owned or subgrantee-owned property; instead, depreciation may be charged rather than rental. Depreciation may be charged only in accordance with 2 CFR 200.436.

If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other award, the subgrantee must retain the supplies for use on other activities or sell them, but must, in either case, compensate PCCD for its share. If such a situation arises, the subgrantee should contact PCCD Grants Management staff to ensure proper computation of PCCD's share.

Food and/or beverage expenses provided by subgrantees at conferences, trainings, etc. are rarely allowable.

Refer to the OJP webpage which contains the [Federal Policy and Guidance For Conference Approval, Planning and Reporting](#).

Consultants Category

Indicate the consultant services to be provided and the total cost. Federal/state regulations require subgrantees to procure professional and personal services through competitive, good faith negotiations. When procuring contractor or consultant services, subgrantees must follow the [Procurement Standards](#) located at the beginning of this chapter. Contracts with consultants must be in writing. Click on the following link to view an Example of an [Acceptable Personal Services Contract](#).

With respect to arrangements with individuals/independent consultants, for costs to be allowable, the following requirements must be met:

1. A contractual arrangement for consulting services shall be written, formal and consistent with the subgrantee's usual practice and policies for obtaining such services.

Compensation for individual consultant services should be awarded in light of their reasonableness and consistency with that paid for similar services in the market place. In addition, the maximum rate for consultants is \$650 (excluding travel and subsistence costs) for an eight-hour day (\$81.25 per hour). An eight-hour day may include preparation, evaluation, and travel time, in addition to the time required for actual performance. Prior approval by PCCD and written justification from the subgrantee is required for consultant compensation over \$650 per day.

2. Dual compensation is not involved (i.e., the individual may not receive compensation from his or her regular employer and the retaining subgrantee for work performed during a single period of time even though the services performed benefit both).
3. The retainer arrangement is formal, proper and otherwise consistent with the subgrantee's usual practices for obtaining such services.
4. Time and/or services for which payment will be made and rates of compensation will be supported by adequate documentation.
5. Transportation and subsistence costs for travel performed are at an identified rate consistent with the subgrantee's general travel reimbursement practices.

With respect to governmental arrangements, the work or services for which reimbursement is claimed must be directly and exclusively devoted to subgrant purposes and charged at rates not in excess of actual costs to the "Contractor" government agency.

Each subgrantee must retain copies of all bids, quotes, or requests-for-proposals for consultant services in their records. Subgrantees must also keep documentation supporting the selection of the vendor.

Provide the following detail for consultants:

1. For individuals to be reimbursed for personal services on a fee basis, list each type of consultant or service with number of people in each category and names of major consultants where available; the proposed fee rates on an individual basis by day; and the amount of time to be devoted to such services.
2. For organizations, including professional associations and educational institutions performing professional services, indicate types of services being performed and estimated contract price.
3. Travel expenses for individual and organization consultants shall be included in the Consultants-Travel category and detailed as explained in the Travel budget category.

Time and effort reports (timesheets) are required as supporting documentation for individual consultant expenditures.

A fully executed copy of the contract must be kept on file as the commitment document for payments to be made.

Construction Category

Under some very specific circumstances certain types of funds may statutorily be used for construction purposes. PCCD would authorize construction in only very limited and exceptional circumstances. Applicants contemplating construction must contact the respective program office for specific guidance. Also, refer to [Clearance and Endorsement of Certain Subgrant Applications](#) for necessary clearance(s) and endorsement(s) of applications that include such costs.

Include in this category the costs of acquisition, expansion, or repair (including remodeling and restoring) of existing buildings or other physical facilities, and the acquisition or installation of initial equipment, including architect's fees, but not the cost of acquisition of land. Initial equipment includes heating, plumbing and air conditioning equipment and electrical, elevator, other building-related equipment and fixtures but does not include removable machinery or equipment (e.g., office equipment, reproduction equipment, etc.) not inherently a part of the building or facility.

JAG and IPP funds may not be used for land acquisition. Use of JAG funds for construction projects is prohibited except for construction of penal or correctional institutions. Correctional institutions include prisons, jails, juvenile correctional institutions and residential community correction facilities.

The non-federal share of JJDP projects involving the acquisition, expansion, or repair of new or existing buildings or other physical facilities is 50%.

List separately each type of capital improvement and specific data details, and quotations or information that explains how the total costs were determined. A copy of all bids or quotes received should be attached.

Subgrantees must follow the OJP Construction Requirements section of the current version of the Department of Justice Grants Financial Guide.

Other Category

Indicate the total expense for items not otherwise identified above. An example would be indirect costs.

Provide a specific itemization of each type of expense and the basis of computation.

Match Requirements

Match requirements for each type of state and federal funding stream may vary. The funding announcement will specify if match requirements apply.

Types of Match

1. Cash Match (hard) includes cash your organization will spend for project-related costs.
2. In-Kind Match (soft) includes, but is not limited to, the valuation of in-kind services. “In-kind” is the value of something received or provided that does not have a cost associated with it. For example, if in-kind match is permitted, then the value of donated services could be used to comply with the match requirement. Also, third party in-kind contributions may count toward satisfying match requirements provided the grantee receiving the contributions expends them as allowable costs.

Timing of Matching Contributions

Matching contributions need not be applied at the exact time or in proportion to the obligation of the federal funds. However, the full matching share must be obligated by the end of the period for which the federal funds have been made available for obligation under an approved grant program. The full matching share provided by the subgrantee (both cash and in-kind) must be reported on the Final Subgrantee (Fiscal) Report submitted at the end of the grant period. If the matching share is not reported, it will be assumed that the subgrantee did not meet the required match and will initiate collection of a cash match from the subgrantee.

Records for Match

Recipients and their subrecipients must maintain records which clearly show the source, the amount, and the timing of all matching contributions. In addition, if a program or project has included within its approved budget contributions which exceed the required matching portion, the recipient must maintain records of them in the same manner as it does for the awarding agency funds and required matching shares.

Indirect Costs

PCCD allows subgrantees to recover indirect costs in one of two ways:

Federally approved indirect cost rate: PCCD allows subgrantees to apply an indirect cost rate approved by their federal cognizant agency to their PCCD subgrant project.

OR

10% de minimis rate: PCCD allows subgrantees that do not have a current negotiated (or provisional) federal indirect cost rate to apply a de minimis indirect cost rate of 10% of modified total direct cost (MTDC) to their PCCD subgrant project. Costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all PCCD subgrant awards until such time as a subgrantee obtains a federally approved indirect cost rate. Use of the de

minimis rate must be in compliance with 2 CFR 200.414, and therefore, local governments may not elect to use the 10% de minimis rate.

Modified Total Direct Cost (MTDC) means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

CHAPTER 5 – POST-AWARD OBLIGATIONS

This chapter explains the PCCD procedures after a subgrant application is approved and what is expected of a subgrantee as a recipient of PCCD funds. This section of the manual describes the reporting and record keeping procedures needed to meet federal and state requirements. It does not present any formulas for successful project management. **If questions arise or problems are encountered in managing the project, please contact the Commission's Grants Management unit for assistance as early as possible.**

All records, papers, and other documents relating to receipt and disposition of subgrant funds that are kept by subgrantees and their contractors must be made available for inspection by the public under the terms and conditions of the federal Freedom of Information Act (5 U.S.C. 522). However, nothing in this section shall be construed to require disclosure of information deemed confidential by law. Refer to Standard Subgrant Conditions Item number 14.

Subgrant Award and Project Implementation

Within approximately four weeks after PCCD approves a project for funding, the subgrantee will receive official notification of the award by letter. The award letter will contain any special conditions placed on the approval of the funding by the PCCD. **All special conditions must be complied with to ensure the timely release of funds.**

The award letter also contains the official project start and end dates. If the project has not commenced within 90 days of the project start date, PCCD has the right to cancel the project and de-obligate the funds. An award in no way obligates the Commission to fund the project beyond the established project period.

Payments will not be released until all applicable special conditions on the subgrant award have been satisfied. Payments for the subgrant contract will be made on a reimbursement basis. The schedule and amount of payments will be determined based on information received on the required quarterly (or interim, if applicable) fiscal reports and the required periodic program reports. Non-submission or late submission of the required reports will result in payment delays. Requests for advance payments are generally not approved unless the subgrantee demonstrates a special need for working capital or other conditions warrant such payments.

All payments of federal funds will comply with the federal Cash Management Improvement Act, 31 U.S.C. 6503. Subgrantees must maintain a minimum amount of Federal cash on hand. Failure to adhere to this requirement will be a violation of the terms of the Subgrant contract and the award will be subject to termination for cause or other administrative action as appropriate.

Since periodic drawdowns are based upon the receipt and approval of all required reports, it is very important to submit all required post-award reports on time. If any reports (fiscal or program) are delinquent, there will be a hold placed on the release of further drawdowns until reporting has been brought into compliance. Please refer to the “Reporting Requirements” section of this chapter for more details.

Equal Employment Opportunity Plan (EEOP) Instructions

Pursuant to U.S. Department of Justice regulations, all applicants must submit an EEOP Certification Form to the Office for Civil Rights (OCR) at the federal Office of Justice Programs. The applicant may also be required to develop an EEOP and submit an EEOP Utilization Report to OCR. The matrix at the end of this section is meant to help you determine your agency’s EEOP requirements. All applicants for federal funds will be required to certify that they are in compliance with OCR requirements and PCCD will monitor successful applicants to ensure compliance with OCR requirements. Please visit OCR’s website at <https://ojp.gov/about/offices/ocr.htm> for additional information.

Additionally, all recipients, regardless of their type, the monetary amount awarded, or the number of employees in their workforce, are subject to the prohibitions against discrimination in any funded program or activity. Therefore, OCR investigates complaints by individuals or groups alleging discrimination by a recipient of OJP funding and OCR may require all recipients, through selected compliance reviews, to submit data to ensure their services are delivered in an equitable manner to all segments of the service population and their employment practices are in compliance with equal employment opportunity requirements.

Additional information and technical assistance on the civil rights obligations of subgrantees can be found at: <https://ojp.gov/about/offices/ocr.htm>.

What is the recipient type?	What is the award amount?	What is the number of employees?	Does the recipient need to develop an EEOP?	Does the recipient need to submit a Certification Form to OCR?	Must the recipient submit an EEOP to OCR?
Nonprofit, Indian Tribe, Medical or Education Institution	Does not matter	Does not matter	NO	Yes (Section A)	NO
State or local government and private entity	Less than \$25,000	Does not matter	NO	Yes (Section A)	NO
State or local government and private entity	Does not matter	Less than 50 employees	NO	Yes (Section A)	NO
State or local government and private entity	\$25,000 or more, but less than \$500,000 for an individual grant	50 or more employees	YES	Yes (Section B) certifying that the recipient has created an EEOP and is maintaining it on file in a designated office for review by employees, applicants, OCR, or a state administrative agency	NO
State or local government and private entity	\$500,000 or more for an individual grant	50 or more employees	YES	NO	YES

Accounting System Requirements

The subgrantee must maintain an accounting system that properly and accurately documents and controls the receipt and disbursement of project funds. The objectives of the project accounting system are to provide the subgrantee with needed management information and financial controls and to record and present historical financial information in an organized manner. Subgrantees are encouraged to use their established financial procedures, providing these procedures permit verification of compliance with the fiscal requirements of PCCD subgrants.

The subgrantee's accounting system must provide effective financial controls. Unless commonly accepted standards of financial responsibility have been followed, **audits may result in the disallowance of expenditures, creating a refund liability on the part of the subgrantee.**

The subgrantee is obligated to manage all financial affairs of the subgrant in compliance with accepted accounting procedures and in conformance with applicable federal, state and local guidelines. The subgrantee must establish and assure that all project funds are properly accounted for and disbursed in accordance with applicable regulations. Subgrantees must maintain documents to support all transactions and should include purchase orders, receiving records, paid invoices, cancelled checks, personnel, payroll, time and attendance records, and other evidence to support expenditures.

- Accounting system and records should identify receipts of funds from all sources and disbursement of funds by expenditure type, and payee and should be summarized in cash receipts and disbursement journals.
- Accounting system documentation must be able to identify revenue and expenditures for each PCCD grant separately from all other revenue and expenditure sources.
- Entries in accounting records should refer to subsidiary records and documentation that support the entry.
- Information should be cross-referenced to provide a clear audit trail.

The subgrantee is responsible for establishing and maintaining an adequate system of accounting and internal controls for itself. An acceptable and adequate accounting system must provide for the following:

- Identification, in its accounts, of all subgrant awards received and expended and the Federal and State programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
- Accurate, current, and complete disclosure of the financial results of each subgrant award or program in accordance with the reporting requirements set forth in 2 CFR 200.327 Financial reporting and 200.328 Monitoring and reporting program performance.
- Records that identify adequately the source and application of funds for all subgrant activities. These records must contain information pertaining to Federal and State awards,

authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

- Effective control over, and accountability for, all funds, property, and other assets. The subgrantee must adequately safeguard all assets and assure that they are used solely for authorized purposes.
- Comparison of expenditures with budget amounts for each subgrant award.
- Written procedures to implement the requirements of 2 CFR 200.305 Payment.
- Written procedures for determining the allowability of costs in accordance with 2 CFR 200 Subpart E—Cost Principles and the terms and conditions of the Federal award.

Obligation and Expenditure of Funds

An obligation occurs when funds are encumbered, such as in a valid purchase order or requisition to cover the cost of purchasing an authorized item on or after the start date and up to the last day of the grant period in the award. Any funds not properly obligated by the subgrantee within the grant award period will lapse and revert to the awarding agency. No funds may be obligated or expended prior to the official start date.

All project funds must be obligated by the termination date of the project. All project funds legally obligated by the termination date must be expended within 60 days of the termination date. All funds that are not obligated and/or expended as indicated must be returned to PCCD.

Fiscal Accountability

PCCD stresses the importance of being accountable for all grant funds. The following procedures are in place across all of PCCD's funding streams to ensure fiscal accountability with PCCD's grant funds.

Financial Back-up: PCCD will periodically verify that grantee expenditures are consistent with approved budget categories, are eligible for reimbursement and that grantees are maintaining supporting documentation. PCCD has implemented a process where grantees are notified that they are required to submit the financial back-up for some or all of the categories that are included in their Egrants fiscal report. Grantees are only required to submit this back-up when they are specifically notified by PCCD.

Subgrantee Payment: All subgrantees are required, at a minimum, to submit quarterly fiscal reports. PCCD will only make payments to reimburse actual expenditures reported on the fiscal reports. If an agency is experiencing cash flow problems, they may submit fiscal reports monthly and PCCD will reimburse reported expenditures.

Line Item Detail: Grantees are required to report expenditures at the line item level which ensures that the line item expenditures are consistent with the approved budget.

On-site monitoring: PCCD will be completing on-site fiscal monitoring of grants across all funding streams (state and federally funded projects).

Grantee risk classification: PCCD utilizes a risk classification system to structure the use of agency resources with those that may be most in need of additional assistance.

Time and Effort Reports (timesheets): See the [Time and Effort Reports](#) section under the Personnel Budget Category heading in Chapter Four of this manual.

Property Inventory Record

Records must be maintained for each non-expendable item of personal property that costs \$5,000 or more and has a useful life of one year or more. As equipment or other non-expendable property is purchased and received, a property inventory record should be completed and made a part of the permanent subgrant file. The following is required for all equipment or other non-expendable property purchases:

- A property inventory record must be kept and include the following items:
 - Property description
 - Serial or other identification number
 - Source of funding for the property including the grant award number
 - Who holds the title to the property
 - Inventory quantity
 - Date acquired
 - Cost
 - Percentage of PCCD grant participation in the project costs under which the property was acquired
 - Location of property
 - Use and condition of property
 - Employee assigned to use the equipment (if applicable)
 - Ultimate disposition data including the date of disposal and sale price of the property
- A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Upon completion of a project, refer to the Title to Subgrant-funded property section of this chapter for instructions for disposal of this non-expendable property.

Vendor Invoices

At a minimum, the following items should be included on invoices the subgrantee receives from vendors/subcontractors involved in the subgrant project:

- Payee
- Invoice date
- Invoice number
- Description of each product and/or service provided to the subgrantee
- Unit price of each product and/or service provided to the subgrantee
- Total amount for each product and/or service
- Total invoice amount
- Time and effort reports (timesheets) are required as supporting documentation for individual consultant expenditures.

Reporting Requirements

Quarterly Reports:

For most projects, subgrantees are required to report the fiscal and programmatic status of each PCCD-funded project on a quarterly basis throughout the life of the project. **Some state and federal awards have different reporting requirements.** If additional reports are needed, or the reporting schedule is different than the standard quarterly schedule, the additional requirements will be explained in the funding guidelines during the solicitation process. All reports are submitted online through Egrants. The following reports are required:

1. Cumulative Fiscal Report; and
2. Program Report.

A section explaining reporting requirements is available in Egrants. In addition, alerts are sent via e-mail to all subgrant contacts established in Egrants indicating that reporting due dates are approaching.

NOTE: Fiscal and program reports are due within 20 days after the end of the calendar quarters (March 31, June 30, September 30, December 31) unless otherwise noted. Since both fiscal and program reports form the basis for determining further disbursements of federal/state funds, **it is essential that these reports be submitted on time.**

If an extension of the project has been approved by PCCD, **additional** quarterly reports must be submitted to PCCD until the project is completed.

Additional Reporting Requirement:

In the event additional reports are found to be required, PCCD staff will provide specific instructions regarding submission.

Final Reporting Requirements:

The final program report is submitted with the last quarterly or other periodic report by selecting the “Make Final” button and completing the “Final Report” section within the periodic report.

The following two reports are due when all project obligations (involving all fund sources, i.e. federal/state, project income and applicant's match) have been paid, but not later than 60 days after the end of the project period:

1. Subgrant Final Fiscal Report (select “Final” in Egrants fiscal report);
2. Subgrant Cumulative Inventory of Non-Expendable Property (must be submitted in Egrants if items costing \$5,000 or more per item are purchased with subgrant funds).

Evaluation and Monitoring

A project may be monitored or evaluated by Commission staff or independent evaluators as necessary. The subgrantee is responsible for furnishing all data that may be required for monitoring and evaluation. Monitoring usually involves contacting the subgrantee or making a site visit(s) to determine the progress and accomplishments of the project.

Monitoring or evaluation of a project does not excuse the subgrantee from the timely submission of quarterly and final reports. In addition to these reports, the subgrantee is required to submit other reports as PCCD may require. (If such reports are necessary, PCCD staff will provide specific instructions.)

Project Modification

Subgrantees must submit a Project Modification Request in Egrants and receive prior written notice of approval from PCCD before making any major program or budgetary changes and before extending the project. All modifications must be made during the project period. A Project Modification Request should be submitted to PCCD when one or more of the following circumstances arise:

- A change(s) between budget categories: Changes that exceed 10% of total project cost. (Total project cost is the sum of the PCCD, project income and applicant's match funds.)
- A change(s) to purchase additional items or other items that were not included in the approved project budget.
- A change(s) to the personnel positions listed in the approved project budget including major salary reductions and increases.
- A change which affects the project’s objectives or scope, e.g., a change in the target population and/or services to be provided. Minor changes in a project are to be reported on the Quarterly Progress Report.
- A change in dates of the project’s duration.

Applicants who are unsure as to whether or not a Project Modification Request is needed should call or e-mail their PCCD fiscal or program contact for the project. This information is provided

within the grant record in Egrants. The contact names are displayed as links to address, telephone and e-mail information.

All Project Modification Requests and the executed signature page (if required) must be submitted in Egrants prior to the termination of the project period. Project modification requests will not be accepted by Egrants after the end of the project period.

Interest Earned on Federal Funds

Grantees should not earn interest on PCCD's federal or state grant funds since payments are made on a reimbursement basis. However, should the situation arise where a grantee earns interest on federal funds, it should be accounted for as follows.

Grantees may keep interest earned on federal grant funds up to \$500 **per federal fiscal year**. This maximum limit is not per award; it is inclusive of all interest earned as a result of all federal grant program funds received per year. Interest earned in excess of \$500 must be remitted to the United States Department of Health and Human Services, Division of Payment Management Services, P.O. Box 6021, Rockville, MD 20852.

Program Income

Program income means gross income earned by the subgrantee that is directly generated by a supported activity or earned as a result of a PCCD grant award during the project period. Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under a PCCD grant award, the sale of commodities or items fabricated under a PCCD award, license fees and royalties on patents and copyrights. (e.g., if the purpose of the grant is to conduct conferences, any training fees that are generated would be considered program income.)

Use of Program Income

Program income that the subgrantee did not anticipate at the time of the PCCD award must be used to reduce the award and any subgrantee contributions rather than to increase the funds committed to the project. Written prior approval from PCCD is required to use program income in a way other than described in the Program Income section of this manual.

Institutions of Higher Education and nonprofit research institutions or entities with prior approval of PCCD may add program income to PCCD's grant award. In these cases, program income must be used for the purposes and under the conditions of PCCD's grant award.

PCCD's program income regulations follow 2 CFR 200.307.

Accounting for Program Income

Program income must be accounted for up to the same ratio of PCCD participation in the funding of the project. For example: A subgrant was funded at 75% with PCCD grant funds and with 25% non-PCCD

funds. The total program income earned by the subgrant was \$100,000; therefore, \$75,000 must be accounted for and reported to PCCD as program income on the quarterly fiscal reports. In addition, how the income was earned must be explained in the remarks section of the fiscal report.

Disposition of Property on Termination of Grant

The subgrantee, with approval of PCCD, may retain real estate and personal property acquired in whole or in part with federal/state funds in the subgrant program as long as there is a need for the property to accomplish the purpose of the subgrant, whether or not the program continues to be supported by federal/state funds. Where there is no longer a need for the property to accomplish the purpose of the subgrant, its use and disposition are governed by PCCD and federal standards for property acquired with federal/state funds.

Non-expendable Personal Property

Non-expendable personal property is defined as tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Examples of such property include equipment (copiers and computer equipment) and vehicles.

Title to non-expendable personal property is legally vested in the subgrantee under the terms of the standard subgrant conditions that are part of every application for funds. PCCD and federal standards for property acquired with federal grant funds govern the disposition of motor vehicles and other non-expendable personal property.

NOTE: Non-expendable personal property purchased in whole or in part with federal funds may not be diverted from Commission-approved project purposes or be sold or transferred without the prior written approval of the Commission.

Disposal of Non-expendable Personal Property

If the subgrantee no longer needs this property and the unit has a fair market value of \$5,000 or less, then the subgrantee may dispose of it. However, if the fair market value exceeds \$5,000, the property must be sold and the subgrantee shall compensate PCCD for its share.

Project Close-Out

1. Prepare and submit the final Fiscal Report, the Final Programmatic Report, and the Inventory Report (if necessary).
2. Determine cash balances and return unexpended funds to PCCD.
3. Make all necessary accounting entries to close out project records.

CHAPTER 6 – PROJECT AUDIT AND RECORDS RETENTION

This chapter presents the minimum audit guidelines necessary to fulfill the grant requirements. PCCD does not prescribe detailed procedures for the conduct of a subgrant audit or formats for presentation of results.

In any audit engagement letter, subgrantees should require their independent auditors to retain documentation for five years after completion of the audit, to make documentation available to interested governmental auditors, and to be familiar with PCCD's [Standard Subgrant Conditions](#).

The applicant is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor.

Federal Funds

The Applicant must comply with all federal and state grant audit requirements including The Single Audit Act Amendments of 1996; 2 CFR Part 200 as amended; and any other applicable law or regulation, and any amendment to such other applicable law or regulation which may be enacted or promulgated by the federal government.

If the Applicant is a local government or non-profit organization and expends \$750,000 or more in federal awards during its fiscal year, the Applicant is required to provide the appropriate single or program specific audit in accordance with the provisions outlined in 2 CFR Part 200.501. If the Applicant expends total federal awards of less than the threshold established in 2 CFR 200.501, it is exempt from federal audit requirements for that year, but records must be available for review or audit by appropriate officials (or designees) of the federal agency, pass-through entity, and Government Accountability Office (GAO).

If the Applicant is a for-profit entity, it is not subject to the auditing and reporting requirements of 2 CFR Part 200, Subpart F – Audit Requirements (Subpart F). However, the pass-through commonwealth agency is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The contract with the for-profit subrecipient should describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the contract and post-award audits. The post-award audits may be in the form of a financial audit in accordance with Government Auditing Standards, a single audit report or program-specific audit report in accordance with Subpart F. However, these post-award audits must be submitted directly to the affected commonwealth agency that provided the funding. Only single audit reports for local governmental and non-profit subrecipients are electronically submitted to the Federal Audit Clearinghouse.

ADDITIONAL POTENTIAL COMPONENTS OF THE SINGLE AUDIT REPORTING PACKAGE

In instances where a federal program-specific audit guide is available, the audit report package for a program-specific audit may be different and should be prepared in accordance with the audit guide, Government Auditing Standards, and *Subpart F*.

In addition to the requirements of *Subpart F*, commonwealth agencies may require that the single audit reporting packages include additional components in the SEFA, or supplemental schedules, as identified through the respective grant agreement.

Instructions and information regarding submission of the single audit/program-specific audit reporting package are available to the public on Single Audit Submissions page of the Office of the Budget website (<http://www.budget.pa.gov>). The reporting package must be submitted electronically in single Portable Document Format (PDF) file to RA-BAFMSingleAudit@pa.gov.

In accordance with 2 CFR 200.510, PCCD requires that PCCD grant numbers and amounts expended for each PCCD award be individually identifiable on all Single Audit Report Schedules of Expenditures of Federal Awards.

STEPS FOR SUBMISSION

The Applicant's submission responsibilities are as follows:

1. Submit the Single Audit or Program-Specific Audit Report to the Federal Audit Clearinghouse (FAC) and receive an email confirmation of receipt from the FAC.
2. Complete the Single Audit/Program Specific Audit Reporting Checklist to ensure your package contains all required elements. A fill-in version of the checklist can be found on the Commonwealth's Bureau of Audits (BOA) website at <http://www.budget.pa.gov/Documents/single-audit-checklist.pdf>.
3. Email the FAC confirmation of receipt, a certified copy of the data collection form, and the completed Checklist (PDF) to RA-BAFMSingleAudit@pa.gov. The subject line of the email must identify the exact name on the Single Audit or Program-Specific Audit Reporting Package and the period end date pertaining to the reporting package.
4. The Applicant will receive an email from BOA confirming the receipt of the FAC's confirmation, the certified copy of the data collection form, and the completed Checklist.

AUDIT OVERSIGHT PROVISIONS

The Applicant is responsible for obtaining the necessary audit and securing the services of a certified public accountant, or other independent governmental auditor.

The Commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature, if deemed

necessary by Commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the Applicant's auditor and the costs for any additional work performed by the federal or state agencies will be borne by those agencies at no additional expense to the Applicant.

Audit documentation and audit reports must be retained by the Applicant's auditor for a minimum of three years from the date of issuance of the audit report, unless the Applicant's auditor is notified in writing by the Commonwealth, the cognizant federal agency for audit, or the oversight federal agency for audit to extend the retention period. Audit documentation will be made available upon request to authorized representatives of the Commonwealth, the cognizant federal agency for audit, the oversight federal agency for audit, the federal funding agency, or the Government Accountability Office.

Please note, audits not required by 2 CFR Part 200 are not chargeable to federal programs/subgrants.

State Funds

PCCD, in its sole discretion, may undertake an inspection and/or audit of the financial records of the Applicant relating to the Subgrant Project. The Applicant shall provide PCCD with full and complete access to all records relating to the performance of the Subgrant Project and to all persons who were involved in the Subgrant Project. PCCD may also require, as a condition of award, that an independent financial audit be completed.

Submission of Audit Reports Other than Single Audit Reports

Audit reports other than Single Audit Reports which are required by PCCD may be submitted electronically to RA-PCCDAuditReports@pa.gov or by mail to:

Pennsylvania Commission on Crime and Delinquency
Office of Financial Management and Administration
P.O. Box 1167
Harrisburg, Pennsylvania 17108-1167

Audit by PCCD or Governmental Auditor

Representatives of PCCD, the Commonwealth, the federal government or their designee may audit grant awards of federal or state funds at any time during or after the project period.

A review by a PCCD or other governmental auditor may be made to determine whether:

- Financial operations are conducted properly.
- Financial reports are presented fairly.
- Subgrantee complied with applicable laws and regulations.
- Resources are managed and used in an economical and efficient manner.
- Desired results and objectives are achieved in an effective manner.
- Costs are allowable.

In the absence of exigent circumstances, a request for documentation and an appointment will be made with the subgrantee. The subgrantee will:

- Arrange workspace for the auditor(s).
- Ensure that all necessary records and documentation have been properly maintained.
- Ensure that all necessary records and documentation are available for the auditor(s).
- Schedule time for the project director, fiscal officer and other key personnel to assist the auditor(s).

Audit Reports by PCCD or Governmental Auditor

After review, a preliminary audit report will be written that may contain narrative statements, tabulations, schedules or other formats containing pertinent data to disclose any deficiencies found, and recommendations for appropriate action to correct and prevent recurrence of the deficiencies.

The preliminary audit report will be distributed to the subgrantee detailing steps necessary to take exception to or clear the audit findings. The original will be addressed to the Project Director and copies will be forwarded to the chief administrative officer of the applicant agency and others, as appropriate.

Subgrantees must respond within 30 days to a preliminary audit report that contains findings or recommendations. The subgrantee may state actions taken on each recommendation or specify exceptions to audit findings. Each exception must address a specific finding and be presented with complete documentation and an adequate explanation for the disagreement. A final report will be prepared to address any exceptions raised in a timely response by the subgrantee. After receipt of the response or expiration of the 30-day response period, the final audit report will be issued.

Failure of a subgrantee to take action to clear all findings will result in the institution of appropriate remedial action, which may include suspension of drawdowns, suspension or termination of funds, or vacating of the subgrant by the Commission, etc.

Audit Confirmation Requests

All audit confirmation requests must be submitted on [PCCD's Audit Confirmation Request form](#) which is available on our website on the [Grant Procedures and Forms page](#). The request should be submitted to the following email address: RA-PCCDAuditConfirm@pa.gov.

Records Retention

The subgrantee must fully document the project and make the documentation known by and available to, all auditors and other authorized parties. All financial records, supporting documents, statistical records, and all other records pertinent to the award shall be retained by each organization for **at least three years** after the date of submission of the final fiscal and programmatic reports. Retention is required for purposes of federal and/or Commonwealth of Pennsylvania examination and audit. There are several exceptions to the three-year record retention requirement as follows:

1. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
2. When the subgrantee is notified by PCCD, the Federal awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs to extend the retention period.
3. Records for real property and equipment must be retained for 3 years after final disposition.
4. Records for program income transactions after the period of performance: In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the subgrantee's fiscal year in which the program income is earned.

Records may be retained in an automated format. Copies of relevant records including the following must be retained for the required retention period:

1. Approved grant application
2. Award letter
3. Approved project modification requests
4. Fiscal reports
5. Progress reports
6. Pre-incurred cost approvals
7. Personnel information
 - a. Payroll records
 - b. Staff assignments
 - c. Time reports and certifications (time sheets)
 - d. Payroll tax reports
 - e. Documentation for fringe benefits
 - f. Job descriptions
8. Consultants, contract services, equipment, supplies, renovations and construction
 - a. Purchase orders
 - b. Contracts and bid documents
 - c. Invoices
 - d. Receiving vouchers
 - e. Sole source approvals

- f. Inventory lists
 - g. Equipment records updated through date of disposition
- 9. Travel
 - a. Travel authorizations
 - b. Travel vouchers
 - c. Payment records
- 10. Banking information
 - a. Cash verifications
 - b. Receipts documentation
 - c. Check register
 - d. Canceled checks
 - e. Bank statements
- 11. Miscellaneous
 - a. Leases
 - b. Statistical information on goals and achievements
 - c. By- laws of private agencies
 - d. Listing of board of directors of private agencies
 - e. Checks and other payment authorizations
- 12. Accounting records
 - a. General Ledger
 - b. Subsidiary Ledgers
 - c. Journals
 - d. Chart of accounts
 - e. Checks and other payment authorizations
- 13. Audit
 - a. A copy of all pertinent audit reports
 - b. All correspondence to resolve any audit findings
- 14. Description of the Program and its activities in sufficient detail to justify expenditures.

Links to Forms and Other Useful Documents

[OJP Policy and Guidance for Conference Approval, Planning and Reporting](#)

[Clearance and Endorsement of Certain Grant Applications](#)

[Privacy Certificate and Confidentiality Requirements](#)

[Pass-Through Contract](#)

[Example of an Acceptable Personal Services Contract](#)

[Employee Time Certification](#)

[Sample Completed Sample Timesheet](#)

[Excel Timesheet Template](#)

[Pennsylvania Electronic Payment Program \(PEPP\) Enrollment Form](#)

[Standard Subgrant Conditions](#)

[Audit Confirmation Request Form](#)